

**Before The
Federal Communications Commission
Washington, DC 20554**

In the Matter of)	
)	
Schools and Libraries Universal Service Support Mechanism)	CC 02-6
)	
Further Notice of Proposed Rulemaking)	FCC 03-101
)	

**REPLY COMMENTS OF THE
CONSORTIUM FOR SCHOOL NETWORKING AND
INTERNATIONAL SOCIETY FOR TECHNOLOGY IN EDUCATION**

These comments are submitted on behalf of the Consortium on School Networking (CoSN) and the International Society of Technology in Education (ISTE), and serves as their Reply to the comments filed in the Commissions Further Notice of Proposed Rulemaking in the Universal Service Fund Mechanism proceeding, docket number CC 02-6.

The Consortium for School Networking (CoSN) and the International Society for Technology in Education (ISTE) are membership-based groups that serve educators who use technology to improve teaching and learning. For nearly a decade, CoSN, whose members include chief decision makers at school districts, as well as state education networks, state departments of education, intermediate service units and companies, promotes the use of information technologies and the Internet in K-12 education to improve learning. ISTE is a nonprofit professional organization with a worldwide membership of leaders in educational technology. ISTE promotes appropriate uses of information technology to support and improve learning, teaching, and administration in K–12 education and teacher education.

CoSN and ISTE have both been active participants before the FCC in proceedings related to the E-Rate, individually and in partnership with EdLiNC, as representatives of many of the thousands of educational institutions that benefit from the E-Rate program. Our participation in this proceeding reflects our members' commitment to ensuring the long-term viability of universal service as the telecommunications marketplace evolves, and our interest in addressing our concerns regarding the new rules proposed in the Commission's recent Second Report and Order and Further Notice of Proposed Rulemaking (hereinafter the Further Notice) (FCC 03-101), released April 30, 2003.

First, CoSN and ISTE would like to note the universal support among the commenters for the Commission's proposal to establish procedures for providing quarterly estimates to applicants of available unused funds, and the intention to rollover unused funds. We also would seek the release of these funds to applicants as soon as possible.

Second, with respect to the Commission's proposal to allow applicants to delay certifying that their technology plans have been approved until filing the Form 471, we are concerned by the suggestion that applicants should be permitted to enter into binding contracts for services with vendors prior to receiving approval for their technology plans. CoSN and ISTE believe that permitting applicants to enter into such contracts without relying upon an approved technology plan does not represent a best practice, and could lead to waste as a result of poor planning. Allowing applicants' technology plans to be driven by the technology they have committed to purchasing is truly putting the cart before the horse. Nevertheless, we do support the suggestion from several commenters, including the State E-Rate Coordinators' Alliance (SECA), which would permit applicants to rely upon approved No Child Left Behind technology plans, provided

that these technology plans are completed and approved by the time the applicants must file their Form 470.

Third, although numerous commenters supported the concept of a computerized eligible services list for Priority 2 services, many expressed concern about launching such a pilot at this time, before the Commission implements an already approved eligible services list pilot for Priority 1 services. CoSN and ISTE believe that only through observing the operation of the Priority 1 services pilot will we be able to determine the validity of several concerns raised by commenters, including: 1) the concern that a truly comprehensive list could be cumbersome for applicants; 2) the concern that any such list, if operated as a safe harbor, could stifle innovation and force schools to shape their technology plans to a simplified list of eligible services; and 3) the concern that it would be difficult to capture accurately the nuances of conditionally eligible items. Consequently, while we believe that a computerized eligible services list for Priority 1 services might prove useful to applicants, CoSN and ISTE continue to assert that a pilot for such a list is premature at this time.

Fourth, CoSN and ISTE generally agree with the commenters that E-Rate participation in the government-wide debarment program is inappropriate. Nevertheless, we continue to believe that debarment for E-Rate program rules violations may be warranted under well-defined circumstances. Thus, we urge the Commission to engage in a rulemaking with respect to any rules regarding program debarment that it formally adopts, and to make sure that any such rules are clear and concise, and that any punishment is commensurate with the nature of the violation. We support several commenters' suggestions that program participants who receive a notice of debarment should have a 60-day window to respond to the notice, which would be consistent with the rules that currently allot 60 days for application rejections. We further support Sprint's

proposal that any such notices of debarment should be sent via certified mail. Additionally, we support the Commission in adopting rules to implement standards for imputing misconduct to entire organizations or companies. However, we caution against the Arkansas E-Rate Work Group's suggestion to look to each State's law on imputation. The E-Rate program is a national program and, currently, there is wide variance in state laws regarding imputation of conduct. We believe that any system relying on diverse state laws would be confusing and burdensome for the Schools and Libraries Division (SLD) to implement.

Fifth, we take this opportunity to again object to any proposals that might have the effect of turning the locally driven E-Rate program into a state block grant system. In its comments, the Florida Public Service Commission proffered its proposal to institute a State Caps system, under which E-Rate funds would be sent to states based on a poverty formula and states would distribute these funds to districts. The objections that we raised to this proposal last year remain unchanged. First, we are concerned that this proposal would greatly undermine the core concept of this program: serving the entire country's neediest schools and libraries. As we see it, this proposal subverts the goals of the program by attempting to convert a national, applicant-driven program into a state-oriented program that is focused on each state receiving its perceived "fair share" of funding. If the Commission were to adopt this proposal, it is not difficult to imagine applicants from small or medium-sized states who are eligible for 20% or 30% discounts receiving internal connections funding while 89% applicants from larger states receive nothing because their states have already reached their state caps. Second, this proposal starts the program along the dangerous road of becoming a block grant operated by states. Once the program funds are divided-up and distributed to applicants based on state caps, the next logical step would be to simply provide states their share directly in the form of a block grant and to

allow them to disburse E-Rate funds themselves. If such a scenario were to come to pass, there would be a great risk that the program's focus on telecommunications, Internet access and internal connections would be lessened or abandoned as states opted to use E-Rate funds to address other needs. Finally, implementation of this proposal – at least in the first year – would be enormously complicated and burdensome for SLD, leading to higher administrative costs and lengthy commitment letter delays.

Sixth, we also must renew our objections to proposals advanced in response to this Further Notice that call for E-Rate funds to be used to support state E-Rate administration. As we stated last year, ISTE and CoSN oppose these proposals because they would undermine the integrity of the E-Rate program by diverting scarce resources away from their intended purposes. Additionally, such payments would establish a precedent for any institution to seek program funds to recoup E-Rate administrative costs. The E-Rate program was never designed to serve as a block grant to cover the administrative costs associated with state governments. While we recognize the budgetary concerns of the state agencies, we suggest that renewed outreach and education by the SLD could reduce some of the burden currently shouldered by state agencies.

Seventh, CoSN and ISTE support improving SLD administration as a means to reduce waste, fraud, and abuse. We commend the SLD for hiring new Program Integrity Assurance employees, which we believe will reduce duplicate requests and expedite processing of applications. CoSN and ISTE emphasize the need for a well-trained SLD staff, because we believe their knowledge and expertise would offer consistency and improve program administration.

Finally, we also support the recommendation advanced by SECA and others to establish a firm date for the Form 471 window closing. In fact, we believe that it would be useful to all

applicants if the Form 470 window opening date were also established on a fixed date. However, we do not believe that elongating the window into February will assist SLD's efforts to process applications and send out commitment letters in a timely fashion. Therefore, we recommend that SLD and the Commission work together to establish firm calendar dates for the opening and closing of the application window. We suggest a window opening date in November and a window closing date in January. Additionally, the date need not be a fixed numerical day, but can be, for example, the second Thursday in November.

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Respectfully submitted,

INTERNATIONAL SOCIETY FOR
TECHNOLOGY IN EDUCATION, and
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